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- David Dingle CBE, Maritime UK Chairman

## The UK maritime industry’s priorities for the forthcoming Brexit negotiations



## INTRODUCTION

As the fundamental enabler of international trade, the maritime industry sees huge opportunities from Brexit and recognises the significant responsibility it has in ensuring Britain is open for business, and can make a success of leaving the EU.

Maritime UK brings together the UK's shipping, ports, marine and business services sectors, to drive forward an ambitious agenda for growth, to promote the UK as a world-class maritime centre and to unite the maritime community in meeting the challenges of tomorrow.

As the engine of British trade, and with a world leading marine manufacturing sector, the UK maritime industry supports over 500,000 jobs, contributes £22.2bn to UK GDP, and drives exports and inward investment.

Our industry is a vital part of our island nation's heritage and of our modern economy – supporting jobs, driving innovation and enabling trade. Our industry also enables millions of people to enjoy the recreational benefits of the UK's coastal and inland waterways.

Put simply, it is the maritime industry's job to ensure that the UK is open for business and Maritime UK, in conjunction with industry and government stakeholders works to ensure that

the importance of our industry is recognised at all levels.

The Maritime Growth Study, commissioned by DfT and published in September 2015, is a critical blueprint for increasing the competitiveness of the UK's maritime industry. Its recommendations are even timelier following the decision to leave the EU, and we are committed to working closely with government to deliver them.

Maritime UK has been working to build a cross-industry set of priorities to create the best outcome for UK maritime businesses in the exit negotiations and future trade deals. The industry is determined that its voice will be heard in the discussions ahead, and looks to forge a collaborative partnership with Government. Maritime UK has written to the Prime Minister and Secretaries of State for Transport, International Trade and Business, Energy & Industrial Strategy, offering the support and expertise of the maritime industry as the UK charts a new and exciting course.

This document is the product of Maritime UK member activity to identify the key priorities for each sector – shipping, ports, marine and business services. Issues of common interest to the whole of the industry have formed the foundation of this set of headline priorities.

Maritime UK has therefore set out the following key priorities;

- **ATTRACTIVE BUSINESS ENVIRONMENT**
- **GLOBAL APPROACH TO GLOBAL ISSUES**
- **BACKING BRITISH**

# ATTRACTIVE BUSINESS ENVIRONMENT

It is vital that the UK is seen to be open for business. The UK must remain an attractive place to do business; both for those looking to invest in Britain - and those already here.

Leaving the EU is an opportunity to re-examine the regulatory regime. Regulations that damage UK competitiveness and create unnecessary bureaucracy should be scrapped. Similarly, Government should guarantee and build upon regulation that supports industry. We must ensure leaving the EU doesn't create unnecessary new bureaucracy at our sea borders that delays the transit of goods and passengers, or puts obstacles in the way of selling our services.

Access to the single market has been crucial for so much of our industry, ensuring that the UK remains competitive and attractive, not least in encouraging foreign investment. Negotiations on withdrawal should ensure that industry has an equally favourable arrangement that guarantees availability of the people and skills they need, whilst recognising there are new opportunities for home-grown talent.

Customers of British maritime products and services should be able to visit the UK to place business and make purchases. Current visa arrangements can hamper such business. Equally, potential UK-bound passengers should not be deterred by restrictive visa arrangements.

The UK must also invest in the infrastructure projects that will keep us competitive, benefit all industries, help business create more jobs, and deliver growth.

Above all, it is crucial that the UK offers certainty, stability and predictability, allowing the maritime industry to focus on delivering the growth needed to support British jobs, drive innovation, and enable trade with the rest of the world.

- MAINTAIN ACCESS TO THE SINGLE MARKET OR EQUALLY FAVOURABLE TRADING RELATIONSHIP
- AVOID DISRUPTION TO UK TRADE WITH EU AND THIRD COUNTRIES POST-BREXIT
- ENSURE MINIMUM DISRUPTION TO THE MOVEMENT OF GOODS AND PEOPLE AT THE UK BORDER
- STRATEGICALLY REVIEW THE STATUTORY RESIDENCY TEST TO ENSURE UK ATTRACTIVENESS FOR MARITIME INDUSTRY INVESTORS
- MAINTAIN RECIPROCAL RIGHTS FOR THOSE WORKING ABROAD IN THE MARITIME INDUSTRY
- ENSURE THAT INDUSTRY HAS THE PEOPLE AND SKILLS THEY NEED
- WORK WITH INDUSTRY WHEN REVIEWING THE CONTINUITY OF EXISTING EU REGULATION POST-BREXIT
- BUILD A UK REGULATORY ENVIRONMENT THAT MAXIMISES THE NATION'S COMPETITIVE ADVANTAGE
- STRENGTHEN THE LOGISTICS CHAIN THROUGH SUPPORT FOR INFRASTRUCTURE AND INVESTMENT
- CREATE A VISA REGIME THAT FACILITATES INDUSTRY'S GROWTH



**MARITIME  
UK**

# GLOBAL APPROACH TO GLOBAL ISSUES

As a truly global industry, which moves 90% of world trade, the maritime industry has been the vehicle of globalisation, and will continue to be so as trade flows grow and diversify.

Our industry works best when operating on a global level playing field, underpinned by standards set by the International Maritime Organization (IMO). As a world-leading maritime nation, in a future outside the EU, the UK has the opportunity and indeed responsibility to shape the policy agenda of such organisations and the UK government must seize upon this at the IMO and other key international organisations, including the International Labour Organization.

This level playing field must ensure that business, particularly the many SMEs in the industry, does not

suffer as a result of trading from and with the UK. There should be no introduction of tariffs, which would reduce UK competitiveness, make the UK less attractive, and harm both the maritime industry and the economy as a whole.

Maritime business services, of which the UK is the world-leader, need a level playing field too. This preeminent position is in part due to UK financial services having 'passporting' rights into the single market. Any negotiation which does not maintain this right will seriously harm the industry.

Our maritime educational institutions are also world-leaders, and just as industry needs access to people and skills, students must also be able to come to the UK and take advantage of the education our industry has to offer. Existing funding to support this should be maintained. Rival maritime centres are well-placed to capitalise upon any lessening in the UK's attractiveness.

In short, the maritime industry calls for a level playing field, to make sure that we are able to fully compete with the rest of the world, ensuring the UK is not damaged by leaving the EU, and instead able to make the most of the opportunities now available.

- PLAY A LEADING ROLE IN INTERNATIONAL ORGANISATIONS INCLUDING IMO AND ILO
- DELIVER NEW TRADE AGREEMENTS WITH THE REST OF THE WORLD AS SOON AS POSSIBLE IN ORDER TO PREVENT THE SETTING OF TARIFFS
- MINIMISE COMPLICATIONS, ADDITIONAL BURDENS OR BUREAUCRACY ARISING FROM ANY CHANGES TO CUSTOMS OR BORDER CONTROLS
- PROTECT 'PASSPORTING' RIGHTS INTO THE SINGLE MARKET FOR FINANCIAL SERVICES
- ENSURE CONTINUITY IN STUDENT FUNDING AND MOBILITY

**One voice for UK shipping, ports, marine and business services.**



## BACKING BRITISH

We call on Government to promote long term growth, in particular through procuring products and services from British-based business. This should start with the procurement of the RFA's three new fleet solid support vessels from the UK. This will benefit the whole of the maritime cluster, including UK SMEs throughout the supply chain.

Thereafter, we consider it vital to ensure full cross departmental engagement to enable a stream of necessary Government projects including ships and equipment so that British industry can plan, invest and respond, reducing where possible 'stop start' acquisition.

Brexit will enable pro-British procurement rules and we encourage an urgent review for all industry sectors in order to develop long term benefits including skills, IP development, employment, exports and tax. Government should also guarantee to match existing grants and loans for the industry, including Horizon 2020 and maximise local job content in offshore decommissioning and windfarm installation and maintenance.

Maritime UK calls upon Government to demonstrate its commitment to ensuring future seafaring generations through increasing the levels of Support for Maritime Training funding available and supporting the new SMarT plus proposals, as set out by industry and the unions. In addition we call upon Government to listen closely to the needs of industry with regards to the development of apprenticeships.

Creating a highly skilled workforce which reflects the needs of the industry now and into the future and enabling young people to build rewarding life-long careers is our united vision and Government must work proactively to support the industry if this ambition is to be met. The social protections gained through EU membership should be maintained to ensure that leaving the EU does not mean a weakening of rights and protections for British workers, including seafarers.

The industry welcomes the inclusion of industrial strategy within the new Business, Energy & Industrial Strategy (BEIS) department, and is determined to ensure that the maritime industry features within Government's new strategy.

The Tonnage Tax should be reviewed to ensure it remains amongst the best fiscal frameworks on offer internationally and remains fit for purpose in achieving its objective of growing the UK controlled fleet and expanding our maritime skills base. We also continue to push for a shipbuilding strategy that benefits the wide range of highly skilled vessel manufacturers in the UK.

- SOURCE BRITISH BUSINESSES FIRST FOR PROCUREMENT OF GOODS AND SERVICES
- SUPPORT THE NEXT GENERATION BY EXTENDING SMART FUNDING
- ENCOURAGE FURTHER INWARD INVESTMENT BY REVIEWING TONNAGE TAX TO MAKE IT MORE ATTRACTIVE
- SUPPORT INNOVATION ACROSS THE INDUSTRY

CHAMPION BRITISH JOBS – INCLUDING EXISTING EU RIGHTS

- ENSURE EU FUNDING AND GRANTS ARE GUARANTEED POST-BREXIT
- FOR THE GOVERNMENT TO DELIVER AN AMBITIOUS INDUSTRIAL STRATEGY WITH THE MARITIME INDUSTRY AT ITS HEART.
- REFORM THE SHIP REGISTER TO MAKE IT MORE ATTRACTIVE TO THE COMMERCIAL REALITIES OF INTERNATIONAL SHIPPING
- DEVELOP AN AMBITIOUS SHIPBUILDING STRATEGY THAT BENEFITS THE WIDE RANGE OF HIGHLY SKILLED VESSEL MANUFACTURERS IN THE UK